



Arbors of Hop Brook  
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**Written testimony of Chanté Drasdis, Executive Director, Arbors of Hop Brook CCRC Concerning Committee on AGING Bill 5193—An Act Concerning Rent Increases, Fee Increases and Changes in Residency Status at Continuing Care Facilities and Managed Residential Communities.**

Good afternoon members of the Aging Committee. My name is **Chanté Drasdis, Executive Director of Arbors of Hop Brook, an assisted living and Life Plan CCRC** in Manchester, Connecticut. Opened in 1988, our community offers 114 apartment homes to active and independent seniors. Arbors provides a maintenance-free and active lifestyle with valuable services and amenities making retirement enjoyable and rewarding. Living at Arbors also offers the promise of additional healthcare services- including support services, assisted living, and priority access to our health care center, Manchester Manor, for long term and rehab health care.

**I am testifying today to oppose Bill 5193 as it would jeopardize the financial fundamentals of a CCRC.**

Typically, CCRCs offer attractive, security-conscious campuses with purpose-built senior housing options. Most CCRCs are designed to encourage residents to take part in social activities, chef prepared meals, club rooms and workout space. They may offer educational programs, worship services, banking, dental and daily health services onsite. The pricing involves entrance fees (which are often partially refundable), plus monthly service fees. **These fees are justified by a core premise- that these communities will be able to meet future needs of their customers as they age in place.** The Department of Social Services reviews the financial health of CCRCs each year when the communities file an annual report with audited financial statements and actuarial reviews to ensure the financial health of the operation. **The need for operational funds go far beyond mere maintenance of infrastructure, and must be balanced against what the market will support.** Consumers “vote with their feet” and will select a community that meets the balance of amenities and value that they prefer. Industry-side spokespersons often comment: “If you have seen one CCRC, you’ve seen one CCRC.” This

implies that every operation is unique. **There is huge variation in terms of the levels of service, amenities, and the cost to provide those associated benefits.**

Fees and fee increases are also an important indicator of whether a community is doing adequate maintenance and making capital improvements necessary to attract new residents. **Lower than average increases or flat spending may create a financial trap for future operations—and future residents.** Many CCRCs also depend on high initial entrance fees, with a great deal of variation in the structure of such fees. Some of the variation depends on whether the providers are offering some form of “life care” contracts (sometimes referred to as Type A Contracts) or are offering fully or partially refundable entrance fee contracts (which may be treated as Type C, or fee-for-service contracts, if the refundable fees are not reserved or treated as offsetting future care).

The state of Connecticut already requires statutorily-mandated disclosures of historical increases (as recorded in CCRCs annual disclosure statements) which provide the public with transparent annual increase information, permit public review, comparison, and consideration of the different communities.

The capping of increases at the CPI level is not practical, as the costs of a CCRC vary considerably as the resident population ages. The unintended consequences would be to slowly ‘restrict’ the community of necessary financial resources resulting in an unstable community in CT. In periods of high inflation, as we are experiencing currently, uncertain financial viability would be a real possibility.

Finally, the CCRC market is allowing the individual to ‘self-insure’ their own future healthcare in a surrounding of their choosing. If more people chose this option, the state would spend far less in the LTC Medicaid program.

Thank You,

Chante Drasdis

Executive Director

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